



Dave Yost • Auditor of State

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Springfield Township
Lucas County
7617 Angola Road
Holland, Ohio 43528-8602

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Springfield Township, Lucas County, Ohio, (the Township) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section

117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Springfield Township, Lucas County, Ohio, as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

September 30, 2016

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$1,107,431	\$4,306,061		\$5,413,492
Charges for Services		1,152,181	\$110,905	1,263,086
Licenses, Permits and Fees	328,913			328,913
Intergovernmental	196,118	793,709	475,526	1,465,353
Special Assessments		294,282		294,282
Earnings on Investments	22,640			22,640
Miscellaneous	97,256	141,129		238,385
<i>Total Cash Receipts</i>	<u>1,752,358</u>	<u>6,687,362</u>	<u>586,431</u>	<u>9,026,151</u>
Cash Disbursements				
Current:				
General Government	1,027,578			1,027,578
Public Safety	701,338	4,406,014		5,107,352
Public Works		1,077,279		1,077,279
Health		38,582		38,582
Conservation-Recreation	128,792			128,792
Capital Outlay		251,262	993,270	1,244,532
Debt Service:				
Principal Retirement	9,794		18,152	27,946
<i>Total Cash Disbursements</i>	<u>1,867,502</u>	<u>5,773,137</u>	<u>1,011,422</u>	<u>8,652,061</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(115,144)</u>	<u>914,225</u>	<u>(424,991)</u>	<u>374,090</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds	500,000			500,000
Sale of Capital Assets	18,500			18,500
Transfers In		40,000	534,392	574,392
Transfers Out	(574,392)			(574,392)
Advances In	220,000	220,000		440,000
Advances Out	(220,000)	(220,000)		(440,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(55,892)</u>	<u>40,000</u>	<u>534,392</u>	<u>518,500</u>
<i>Net Change in Fund Cash Balances</i>	<u>(171,036)</u>	<u>954,225</u>	<u>109,401</u>	<u>892,590</u>
<i>Fund Cash Balances, January 1</i>	<u>725,090</u>	<u>2,395,334</u>	<u>287,190</u>	<u>3,407,614</u>
Fund Cash Balances, December 31				
Restricted		3,349,559	396,591	3,746,150
Assigned	386,162			386,162
Unassigned	167,892			167,892
<i>Fund Cash Balances, December 31</i>	<u>\$554,054</u>	<u>\$3,349,559</u>	<u>\$396,591</u>	<u>\$4,300,204</u>

The notes to the financial statements are an integral part of this statement.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$1,085,193	\$4,231,209		\$5,316,402
Charges for Services		1,145,587	\$107,676	1,253,263
Licenses, Permits and Fees	298,256			298,256
Intergovernmental	375,214	843,661	623,165	1,842,040
Special Assessments		284,178		284,178
Earnings on Investments	19,079			19,079
Miscellaneous	115,090	273,766		388,856
<i>Total Cash Receipts</i>	<u>1,892,832</u>	<u>6,778,401</u>	<u>730,841</u>	<u>9,402,074</u>
Cash Disbursements				
Current:				
General Government	911,433			911,433
Public Safety	681,339	4,440,785		5,122,124
Public Works		1,101,187		1,101,187
Health		41,745		41,745
Conservation-Recreation	141,382			141,382
Capital Outlay	8,143	225,536	1,541,624	1,775,303
Debt Service:				
Principal Retirement			18,152	18,152
<i>Total Cash Disbursements</i>	<u>1,742,297</u>	<u>5,809,253</u>	<u>1,559,776</u>	<u>9,111,326</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>150,535</u>	<u>969,148</u>	<u>(828,935)</u>	<u>290,748</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets		8,420		8,420
Transfers In	94,443	10,000	879,257	983,700
Transfers Out	(889,257)		(94,443)	(983,700)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(794,814)</u>	<u>18,420</u>	<u>784,814</u>	<u>8,420</u>
<i>Net Change in Fund Cash Balances</i>	<u>(644,279)</u>	<u>987,568</u>	<u>(44,121)</u>	<u>299,168</u>
<i>Fund Cash Balances, January 1</i>	<u>1,369,369</u>	<u>1,407,766</u>	<u>331,311</u>	<u>3,108,446</u>
Fund Cash Balances, December 31				
Restricted		2,395,334	287,190	2,682,524
Assigned	553,302			553,302
Unassigned	171,788			171,788
<i>Fund Cash Balances, December 31</i>	<u><u>\$725,090</u></u>	<u><u>\$2,395,334</u></u>	<u><u>\$287,190</u></u>	<u><u>\$3,407,614</u></u>

The notes to the financial statements are an integral part of this statement

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Springfield Township, Lucas County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Lucas County Sheriff to provide law enforcement services.

The Township participates in the Ohio Plan Risk Management, Inc. public entity risk pool. Note 7 to the financial statements provides additional information for this entity.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values Freddie Mac, Federal Farm Credit Bank Notes, Federal Home Loan Mortgage Bank Notes and Federal National Mortgage Notes at cost. U.S. Treasury Money Market and Schwab Government Money funds are recorded at share values the mutual funds report.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Fire District Fund - This fund receives property tax money to staff and operate the fire department.

EMS Fund - This fund receives revenue through EMS contracts with other local governmental entities to staff and operate the emergency medical services department.

Lighting District Fund - This fund receives special assessment property tax revenue to reimburse the Township for lighting in residential developments.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Funds:

Fire Department Capital Improvement Fund – This fund receives revenue from fire and EMS contracted services to replace large firefighting equipment.

Ohio Public Works Commission Fund(s) – These funds receive revenue from the general fund, and grants from the Ohio Public Works Commission and the Lucas County Engineer's Office to finance large road improvement projects.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

G. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Township maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2015</u>	<u>2014</u>
Demand deposits	<u>\$3,217,815</u>	<u>\$2,328,348</u>
Federal Home Loan Mortgage Bank Notes	519,249	600,146
Federal National Mortgage Notes	274,671	
Freddie Mac	150,030	
Federal Farm Credit Bank Notes	130,155	
Schwab Government Money Fund	8,284	
U.S. Treasury Money Market Fund		479,120
Total investments	<u>1,082,389</u>	<u>1,079,266</u>
Total deposits and investments	<u><u>\$4,300,204</u></u>	<u><u>\$3,407,614</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: The Federal Reserve holds the Township's Freddie Mac, Federal Farm Credit Bank Notes, Federal Home Loan Mortgage Bank Notes and Federal National Mortgage Notes in book-entry form in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,115,900	\$2,270,858	\$154,958
Special Revenue	6,656,321	6,727,362	71,041
Capital Projects	2,176,452	1,120,823	(1,055,629)
Total	\$10,948,673	\$10,119,043	(\$829,630)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,669,202	\$2,441,894	\$227,308
Special Revenue	6,723,419	5,773,137	950,282
Capital Projects	1,616,121	1,011,422	604,699
Total	\$11,008,742	\$9,226,453	\$1,782,289

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,702,967	\$1,987,275	\$284,308
Special Revenue	6,602,058	6,796,821	194,763
Capital Projects	2,065,968	1,610,098	(455,870)
Total	\$10,370,993	\$10,394,194	\$23,201

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,748,438	\$2,631,554	\$116,884
Special Revenue	6,764,392	5,809,253	955,139
Capital Projects	2,397,279	1,654,219	743,060
Total	\$11,910,109	\$10,095,026	\$1,815,083

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

Public utilities are also taxed on personal and real property located within the Township.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
2006 OPWC Project Loan	\$32,000	0%
2009 OPWC Project Loan	21,410	0%
Signature Bank Loan	492,771	Variable
Total	\$546,181	

The proceeds from the 2006 OPWC Loan were used for a resurfacing project in the Township. The loan is a zero percent loan repayable in semi-annual installments of \$6,400 through July 1, 2018.

A 2009 OPWC loan of \$53,524 was received for resurfacing 1.88 miles of roads. The loan is a zero percent loan repayable in semi-annual installments of \$2,676 through 2019.

The proceeds from the Signature Bank Loan were used to finance the 2015 Township resurfacing project. The loan is a \$500,000, 10 year, variable rate loan, based on the "Prime Lending Rate" as published in the Money Section of the Midwest Edition of The Wall Street Journal. The rate was 3.25% as of December 31, 2015.

Amortization of the above debt, including interest, is scheduled as follows:

	2006 OPWC Project Loan	2009 OPWC Project Loan	Signature Bank Loan
Year ending December 31:			
2016	\$12,800	\$5,352	\$58,613
2017	12,800	5,353	58,613
2018	6,400	5,352	58,613
2019		5,353	58,613
2020			58,613
2021-2025			283,296
Total	\$32,000	\$21,410	\$576,361

6. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OP&F participants contributed 10.75% of their wages until July 1, 2014, 11.50% of their wages until July 1, 2015, and 12.25% until July 1, 2016. For 2015 and 2014, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2015 and 2014, OPERS Members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2015.

7. RISK MANAGEMENT

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its Members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 Members as of December 31, 2015 and 2014 respectively.

Plan Members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

8. Interfund Transfers

Transfer activity for the years ending December 31, 2015 and 2014 follows:

2015 Interfund Transfers		
Fund	Transfers In	Transfers Out
Cemetery	\$40,000	
2014 OPWC Project	90,000	
2015 OPWC Project	426,240	
2006 OPWC Project	12,800	
2009 OPWC Project	5,352	
General		\$574,392
2014 Interfund Transfers		
Fund	Transfers In	Transfers Out
General	\$94,443	
2013 Road / OPWC Project		\$94,443
Cemetery	10,000	
2014 OPWC Project	861,105	
2006 OPWC Project	12,800	
2009 OPWC Project	5,352	
General		889,257

Transfers from the General fund for both years represent the allocation of unrestricted receipts collected in the General Fund to finance the Township's portion for 2015 and 2014 OPWC Road projects and various OPWC loan payments, along with Cemetery maintenance projects.

Transfers In 2014 to the General Fund from the Capital Projects - 2013 Road / OPWC Project Fund represent the closeout of the fund for money previously transferred into the fund for the Township's portion of the project.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Springfield Township
Lucas County
7617 Angola Road
Holland, Ohio 43528-8602

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Springfield Township, Lucas County, Ohio, (the Township) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated September 30, 2016 wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

September 30, 2016

**SPRINGFIELD TOWNSHIP
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2015-001

Material Weakness - Financial Reporting

The following errors were noted in the financial statements that required audit adjustments or reclassifications.

- The Township posted Debt proceeds of \$500,000 as Miscellaneous receipts in 2015.
- The Township erroneously recorded two Intergovernmental receipts from Lucas County in the total amount of \$155,393 as miscellaneous receipts.
- The Township benefited from \$204,541 in Ohio Public Works Commission (OPWC) grant funding in fiscal year 2015. However, the Fiscal Officer did not record the related receipts and disbursements in the Township's accounting system or on the accompanying financial statements. This resulted in a material understatement of financial statements in the Capital Projects fund type for 2015.
- Assigned fund cash balance amounts of \$386,162 and \$553,302 for 2015 and 2014, respectively, for appropriations in excess of estimated receipts for 2016 and 2015 were posted as Unassigned fund cash balance amounts in the General Fund.

These errors were not identified and corrected prior to the Township preparing its financial statements due to deficiencies in the Township's internal controls over financial statement monitoring. The accompanying financial statements, and where applicable, the Township's accounting records have been adjusted to reflect these changes. Sound financial reporting is the responsibility of the Fiscal Officer and Governing Board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To ensure the Township's financial statements are complete and accurate, the Township should adopt policies and procedures, including a final review of the statements by the Fiscal Officer and Governing Board, to identify and correct errors and omissions. The Fiscal Officer should also review the Township's chart of accounts to ensure that all accounts are being properly posted to the financial statements.

Officials' Response:

We did not receive a response from Officials to this finding.

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Dave Yost • Auditor of State

SPRINGFIELD TOWNSHIP

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 20, 2016**